## USDA Rural Development





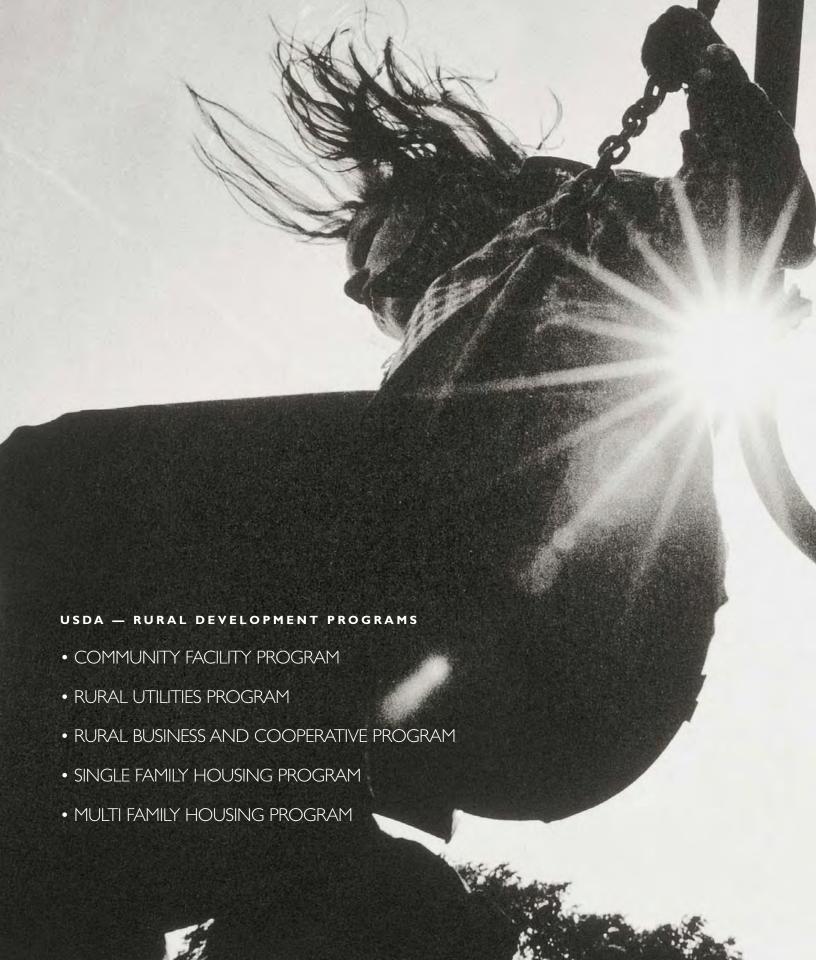
COMMITTED TO THE FUTURE OF RURAL COMMUNITIES

## **Rural Development Mission Statement**

To increase economic opportunity and improve the quality of life for all rural Americans.



COMMITTED TO THE FUTURE OF RURAL COMMUNITIES



## COMMENTS BY SECRETARY OF AGRICULTURE MIKE JOHANNS

On May 11, 2005, USDA Rural Development celebrated 70 years of service to America. Much has changed since 1935 when the crisis was the Depression, our mission was agricultural stabilization, and the cutting edge was rural electrification. Today, rural America is dynamic and diversified; the cutting edge is broadband and renewable energy. Our Rural Development mission is increasing economic opportunity and improving the quality of life in rural America. But from 1935 through today, one thing has remained constant: the commitment of the men and women of USDA Rural Development to the future of rural communities.



That commitment was demonstrated in dramatic form by the response of Rural Development to the unprecedented series of hurricanes that slammed into the Gulf Coast in the late summer and autumn of 2005. Hurricane Katrina the most destructive storm ever to hit the United States in terms of property damage, though fortunately not in loss of life was followed in rapid succession by Rita and Wilma. The damage was immense; the loss of life, heavy. Outside of New Orleans and Biloxi, most of the devastated areas were rural.

Rural Development personnel including many who had lost their own homes worked around the clock to staff recovery centers and provide shelter. They worked with our Federal, State, local and nonprofit partners to repair water, telecommunications, and electrical systems. By mid November, more than 9,700 evacuees had been housed in Rural Development-funded units in 42 States. And in the months and years ahead, Rural Development will play an important role in rebuilding housing, community facilities, and infrastructure throughout the disaster area.

This is merely one example, although a dramatic one, of the vital work Rural Development is doing each and every day across rural America. Since the beginning of the Bush Administration, Rural Development has invested more than \$63 billion and created or saved more than 1.1 million jobs in rural communities. We have assisted almost a quarter of a million rural families to achieve the dream of homeownership and invested almost \$5 billion in our business programs alone.

The future holds challenges, but it also holds great promise. As you plan for the future, USDA Rural Development is here to support you and your community. We are locally based; as your neighbors, our employees are rooted in your communities and share your values and concerns, just as we have since 1935. We are proud of Rural Development's record of achievement throughout the past 70 years and we look forward to working with you to bring increased opportunities to Florida and the U.S. Virgin Islands as we work together to build an even stronger rural America.

# COMMENTS BY AGRICULTURE UNDER SECRETARY FOR RURAL DEVELOPMENT THOMAS DORR



The face of rural America continues to change, and USDA Rural Development is changing with it. No longer the lender of last resort, we are rural America's investment bank, a venture capital entity that creates jobs, promotes business development, and provides community facilities and affordable housing. Our goal is to build viable and sustainable rural communities.

In each of the last five years, the Bush Administration has invested about \$13 billion in rural America. Rural Development has provided housing, water and sewer funds, hundreds of millions of dollars in business loan guarantees, telecommunications and

electricity loans and grants. Public safety buildings, rescue equipment, libraries, town halls and access to broadband have all been made possible through the efforts of Rural Development.

One of the biggest challenges facing our nation is the need for renewable energy. In our ongoing effort to promote development of new energy sources, USDA Rural Development in 2005 funded 154 renewable energy grants and two renewable energy loans totaling \$32.3 million. Additionally, through the Value Added Producer Grant program, Rural Development provided \$2.8 million for 30 more energy related projects. From wood fired generating plants to wind turbines, biofuel production and anaerobic digesters, USDA Rural Development is financing new sources of renewable energy while offering farmers and ranchers a potential new source of income.

What makes all this happen are the USDA Rural Development employees. The incredible job our employees did to provide aid to the victims of Hurricanes Katrina, Rita and Wilma was amazing. Working with our Federal, State and local partners, Rural Development found housing for thousands of evacuees, staffed over 80 recovery centers, handled thousands of calls and met face to face with thousands of victims. I m proud of the job our employees do every day. They re highly skilled, dedicated, and truly Committed to the Future of Rural Communities.



# COMMENTS BY FLORIDA/U.S. VIRGIN ISLANDS STATE DIRECTOR CHARLES W. CLEMONS, SR.

Supporting President George W. Bush's vision of an economically strong America, USDA Rural Development focuses efforts on three primary areas homeownership opportunities, business development, and community infrastructure. Today, as we reflect on back-to-back seasons of devastating hurricane activity that wreaked havoc in Florida in both 2004 and 2005, Rural Development remains as committed as ever to support families, businesses, and communities in improving the quality of life across Florida's rural landscape.



Reeling from the four hurricanes that ravaged the state over six devastating weeks in 2004, Florida was once again in the bulls eye in 2005 as Hurricanes Dennis, Wilma, Rita and Katrina buffeted the state with wind, rain and tornadoes. Florida Rural Development was quick to

respond in the hurricanes aftermath, and within a few days time provided personnel to work side-by-side with FEMA staffers in regional disaster centers. Florida's USDA Rural Development staff met with county and municipal leaders in town hall meetings conducted in the areas hit hardest by the hurricanes. In frank one-on-one conversations, community members were met by experienced RD experts who understood their concerns and provided a sounding board for community needs.

Due to the catastrophic devastation of the hurricanes and the clear and critical need for assistance, Florida/ U.S. Virgin Island Rural Development received over \$90 million in Hurricane Disaster Funding to assist the people and communities most impacted. Due to these efforts, today rural families are able to repair their homes or purchase new homes, businesses are opening their doors and communities are rebuilding critical emergency facilities such as hospitals and fire stations.

Rebuilding our rural communities is an ongoing effort, and USDA Rural Development will continue to bring Florida's rural communities, businesses and families opportunities to prosper. We will continue to carry forth President Bush's vision for Rural America, with loans and grants for affordable housing, water and waste systems, business and industry, and essential community facilities, and with full support for the First Responders Initiative to assist rural communities with public safety, education, health care, and other emergency responder type needs, and the Faith-Based and Community Initiative that emphasizes the availability and use of Rural Development's Community Facilities Guaranteed Loans program. Looking back, 2005 brought out the best in Rural Development. Looking forward, Florida is on the road to recovery. By meeting natures challenge, we confirmed the value of our commitment to the American people. As we look to 2006, I expect further success as our dedicated team continues to serve Florida's rural public.

I would like to express heartfelt thanks to our numerous partners and the congressional delegation for their ongoing support and commitment in helping the rural communities of Florida and the U.S. Virgin Islands share in the American dream. I offer sincere thanks to the many Rural Development offices nationwide that stepped up and offered assistance during this most difficult time. In closing, it is appropriate that I also thank Florida/U.S. Virgin Island Rural Development employees, many who were personally affected by the hurricanes, for their wholehearted dedication during a time of critical challenge. I deeply appreciate their efforts.





COMMUNITY FACILITY PROGRAM

### Strengthening rural communities

Throughout rural Florida and the U.S. Virgin Islands, the Community Facilities program remains a strong feature of Rural Development financial assistance programs, with emphasis placed on projects impacting health care and public safety. Community Facilities programs aid in developing essential public community facilities such as schools, libraries, childcare, medical facilities, assisted living facilities, fire and rescue stations, police stations, community centers, public buildings and transportation.

Through the Community Facilities Program, Rural Development provides funding for the Rural Emergency Responders Initiative to specifically strengthen the ability of rural communities to respond to local emergencies by financing needed equipment and services. These funds are available to public bodies, non-profit organizations, and recognized Indian tribes. Funds may be used to finance equipment, vehicles, and/or buildings for projects such as fire protection, rescue/ambulance, law enforcement, civil defense/early warning systems, outpatient care, physician s clinics, migrant health centers, healthcare office buildings, county health department offices, mobile/stationary communications, emergency responders, hospitals, food preparation distribution centers and animal shelters.

In Florida during FY 2005, over \$44 million were awarded through Direct and Guaranteed Loans and





Grants. Over the past five years, rural Floridians have benefited from over \$87 million in Community Facilities program loan and grant assistance, one of the most successful program areas nationwide.

Loans, loan guarantees and grants are available to financially sound non-profit corporations, public entities, special-purpose districts and tribal governments that have legal authority to borrow and repay loans, to pledge security for loans, and to construct, operate and maintain the facilities. Funds may be used to construct, enlarge or improve eligible facilities, and eligible costs include costs to acquire land, professional fees, construction costs, and to purchase equipment for operations. The Community Facilities Programs continue making vital contributions to the quality of life of rural Americans.



RURAL UTILITIES PROGRAM

## Clean, safe water for rural communities

Rural Development provides financing for electric, telecommunications, and water and waste disposal services that are essential for economic development in rural areas. Rural Development s Rural Utilities Program provides loans, grants and loan guarantees for drinking water, sanitary sewer, solid waste and storm drainage facilities in rural areas and cities and towns of 10,000 or less in population per the 2000 census. Rural communities require strong water and wastewater disposal infrastructures that provide clean water for household uses, preservation of the natural environment, promotion of economic development, and agricultural uses. Rural Development is working to help communities protect the quality of drinking water and the purity of America's rivers, lakes and streams.

Rural water systems must comply with local, State, and Federal environmental regulations, but rural water and wastewater systems are generally unable to achieve the economies of scale that large urban systems do and face higher per capita investment costs as well as higher operational, maintenance, and compliance costs once the systems are up and running. To cover costs, the systems must charge relatively high user charges. Residents of many small towns and rural communities find the cost of building, maintaining, and upgrading water systems that comply with all pertinent regulations is too high for them to finance alone.





Rural Development's Water and Waste Disposal Grants help communities reduce water and waste disposal costs to a reasonable level for rural users.

In Fiscal Year 2005, many of Florida's rural residents shared in the benefits of Rural Development financial and technical assistance. The Rural Utilities Program provided for infrastructure and community development needs throughout the state by committing over \$34 million in Water and Waste Direct and Guaranteed Loans and Grants to local governments and community based organizations. These funds were used to finance new as well as improved water and wastewater facilities and modern telecommunications links.

Projects financed in Fiscal Year 2005 included new water and waste systems providing expanded service areas to communities faced with inadequate or improperly functioning onsite systems. Major renovation and rehabilitation of facilities to meet state regulatory requirements were financed, as were major system expansions to meet growth needs and provide established service levels to customers. The demand for technical and financial assistance to rural Florida/ U.S. Virgin Islands communities remains strong. In Fiscal Year 2005 water and wastewater projects were a major area of program emphasis.



RURAL BUSINESS
AND COOPERATIVE
PROGRAM

### Creating opportunity

Rural Development's Business and Cooperative Program delivers a variety of assistance to rural businesses and communities. Rural Development programs help close the gap in opportunity for under-served rural areas and populations, moving them toward improved economic growth by providing capital, technology, technical assistance, and an improved quality of life. The Business Program provides financial assistance and business planning and helps fund projects that create or preserve quality jobs and/or promote a clean rural environment. Rural Business and Cooperative Programs assist rural communities in furthering their goals of economic development and job creation by supporting the growth of both small and large businesses resulting in jobs generated for residents, increases to the local government tax base, and enhancement to the quality of life by adding to the array of goods and services available to local residents. In Fiscal Year 2005, Rural Development invested over \$28 million to help create and retain jobs while strengthening businesses and communities in rural Florida communities.



Business & Industry Guaranteed Loans (B&I) program creates incentives for banks and rural business lenders to promote the establishment of businesses in rural communities with populations less than 50,000. The Rural Business-Cooperative Service provides loan guarantees up to \$10 million to lenders, providing additional incentive for business lending that saves or creates jobs in rural areas. In 2005, Rural Business-Cooperative Service invested over \$22 million in Florida through the Business & Industry Guaranteed Loans program.



**Rural Business Opportunity Grants (RBOG)** provide economic development planning support to nonprofit economic development groups, cooperatives, tribes and public bodies to promote sustainable economic development in rural communities of less than 50,000 in population.

**Rural Business Enterprise Grants (RBEG)** focus on the financing and facilitation of small and emerging businesses or incubators in rural areas. In 2005, \$5.8 million in Rural Business Enterprise Grants funding were awarded in Florida.

Rural Economic Development Loans and Grants (REDLG) program provides funds to electric or telephone utilities financed by USDA Rural Utilities Program. The utilities recipient establishes a revolving loan fund to finance economic development and job creation projects in rural areas for projects such as community development projects, education, medical facilities and incubator development. In 2005, \$120,000 was awarded to Gulf Cost Electric Cooperative to finance a home health care facility that will create 14 jobs in the local area.

The Intermediary Relending Program (IRP) is a direct loan program focusing on alleviating poverty and increasing economic activity and employment in rural areas through administration of a revolving loan fund. In 2005, Rural Development provided \$500,000 in IRP assistance to the Minority/Women Business Enterprise Alliance to make small business loans available in the rural counties of central Florida.

**Rural Cooperative Development Grants (RCDG)** assist in the development of new rural cooperatives and operational improvement of existing cooperatives through funding to nonprofit economic development groups and institutions of higher education.

Value-Added Producer Grants (VAPG) Authorized as part of the 2002 Farm Bill, the Value-Added Producer Grants program provides an opportunity for planning activities and working capital for marketing value-added agricultural products and for farm-based renewable energy. In 2005, Rural Development awarded \$463,717 in Value-Added grants in Florida.



SINGLE FAMILY HOUSING PROGRAM

### Changing Lives in Rural America

USDA has been helping rural Americans become homeowners since 1949, investing over \$54 billion in helping people purchase or build their own homes and become successful homeowners. USDA Rural Development Single Family Housing programs offer homeownership and home improvement and repair loans and grants for individuals and families in rural areas. Whether through a Direct Loan from Rural Development, a Guaranteed Loan or through Mutual Self-Help Housing, homeownership strengthens families and communities.

In 2005, Rural Development's Single Family Housing Program invested over \$130 million in Florida and the U. S. Virgin Islands, helping over 1,600 families through programs and assistance bringing improved housing, quality of life and prosperity to rural America.

The Direct Homeownership Loan Program (Section 502) provided \$46.9 million in loans in 2005 to lower income individuals and families in Florida and the U.S. Virgin Islands. Servin

viduals and families in Florida and the U.S. Virgin Islands. Serving rural persons whose incomes are below 80-percent of the median income, Section 502 loans require no down payment and interest rates are set by Rural Development based on family income. In rural America, USDAs section 502 single-family housing program promotes homeownership through a direct-loan program restricted to low-income persons who cannot qualify for loans from private lenders and a loan-guarantee program that charges a fee to guarantee repayment of market-rate home mortgages made by private lenders to mostly moderate-income borrowers.

The Guaranteed Loan Program (Section 502) provided \$83.5 million in guaranteed housing loans in 2005, providing opportunities for both potential homeowners and lenders, with little cost to the taxpayer. The program has achieved immense success in Florida and the U.S.Virgin Islands.



The Home Repair Loan and Grant Programs (Section 504) provided \$2.3 million in 2005 through loans and grants to help rural families in Florida and the U.S. Virgin Islands repair their homes. Eligibility is restricted to very-low-income rural homeowners age 62 and older who can t afford to borrow the full amount required for necessary repairs to remove health or safety hazards. The maximum grant amount is \$7,500.

The Self Help Housing Program (Section 523) provided \$1.4 million which is administered through a non-profit organization in central Florida. Education is an important part of the Section 523 program which is designed to help homebuyers succeed. With Rural Development funding, the non-profit selects the families, provides economic counseling, purchases building materials and power tools, and hires a construction supervisor. The Technical Assistance Grant enables the grantee to provide oversight to groups of 6-12 families who work together to build their own homes, performing approximately 65-percent of the labor, reducing the total cost of purchasing a home.



## Mulii family Housing Program

## Affordable housing in rural America

Rural Development's Multi-Family Housing program provides families in rural communities affordable housing opportunities through the nearly 500 multi-family complexes representing 21,000 units of housing in Florida and the U.S. Virgin Islands. Assistance ranging from loans for rural rental housing complexes to loans and grants for farm labor housing, the Multi-Family Housing program offers housing opportunities throughout rural Florida. Additionally, grants for housing preservation and rental assistance to over 11,000 families each year are provided by Rural Development.

#### Section 515 Rural Rental Housing

This direct mortgage loan program provides financing with interest rates as low as one percent to developers of affordable rental housing. In 2005, Florida processed \$447,896 in equity loans that incorporated 27 additional units of rental assistance. Housing complexes financed under this program must be located in rural areas, which include communities with populations of 20,000 or less.

#### Section 521 Rental Assistance Program

The Rental Assistance program provides rental subsidy for many of the families in Rural Rental and Farm Labor Housing complexes throughout Florida and the U.S. Virgin Islands. Families living in rental units that have rental assistance available pay no more than 30 percent of their income in rent, which also includes a utility allowance. In 2005, Rural Development assisted rural families with \$26.1 million in rental assistance, representing 1,682 units of replacement rental assistance as well as 203 units of new rental assistance.

#### **Section 538 Guaranteed Rural Rental Housing**

Through the Section 538 guaranteed mortgage loan program, Rural Development is helping meet the housing needs of rural families of low and moderate income. Rural Development provides up to a 90-percent loan guarantee for loans made by conventional lenders to develop rental housing that serves the housing needs of rural families with incomes that do not exceed 115-percent of the median income for the area. This program complements other affordable housing programs designed to serve lower income families by financing guarantees for construction of a wide variety of housing types including new construction, rehabilitation, acquisition of buildings that meet special housing needs and combination construction and permanent loans.



#### 533 Housing Preservation Grant

Rural Development Housing Preservation Grants are made to nonprofits, local government and Native American tribes to repair housing properties and bring them up to code. The grant funds are often leveraged with other funding sources such as local and state government and grants from private businesses. In 2005, 105 low-income Florida families received home repair assistance from the \$253,371 awarded to four grantees.

Repair and Rehab Loans provided \$1.8 million in repair loan funds for five projects that improved 148 units of housing in Florida.

#### Section 514/516 Farm Labor Housing Loan and Grant

**Programs** Although important to agriculture, hired farmworkers continue to be one of the most economically disadvantaged groups in the United States, experiencing low wages and seasonal employment. Farm laborers, especially migratory workers, have historically been at risk to live in substandard housing. Rural Development is helping to change that through low interest loans and grants to public or nonprofit agencies or to individual farmers to develop affordable rental housing for farm workers. In 2005, the program provided \$12 million in loans and grants to build 221 units of housing in four Florida locations.

#### **Emergency Farmworker Disaster Assistance**

The 2004 hurricane season brought devastation to areas of Florida and the U.S.Virgin Islands. In 2005, \$5 million in additional loan and grant funding made 47 additional units of farm labor housing possible to help alleviate the critical housing shortage created by the 2004 hurricane disasters.

Special legislation also provided \$2.5 million in grant funding to assist farmworkers affected by the 2004 hurricanes. It is projected that these funds, administered through five non-profit groups, will assist 9,969 affected farmworker families with food, shelter, clothing, utilities and school supplies. In addition, the legislation also provided \$1.6 million to repair and/or build housing to assist farm labor workers.



## WHEN DISASTER STRIKES

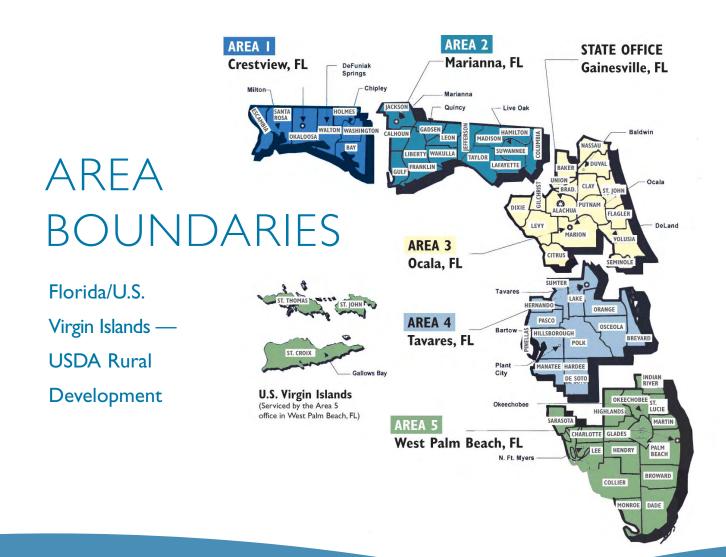
HURRICANE RECOVERY

The 2004 and 2005 hurricane seasons were the most devastating in Florida's history. Four hurricanes roared through the state between August 13 and September 25, 2004, with Charley making landfall on the southwest coast near Punta Gorda, Frances on the southeast coast near Stuart, Ivan in the panhandle near Pensacola, and Jeanne nearly retracing the route followed by Frances. Most parts of the state were hit by at least one of the hurricanes and some were hit by two or even three. The 2005 Hurricane Season brought more destruction with the landfall of Hurricanes Dennis, Katrina, Rita and Wilma.

Florida Rural Development responded in the hurricanes aftermath, providing personnel to work side-by-side with FEMA staffers in regional disaster centers to assist people in accessing resources and services, and meeting with county and municipal leaders in the areas hit hardest by the hurricanes. Recovery efforts associated with these eight hurricanes are ongoing throughout Florida's communities. And the National Hurricane Center has predicted that Florida will continue experiencing hurricanes like those encountered during the past couple of years.

USDA Rural Development is working hand-in-hand with local, state and other Federal agencies for the long-term vitality of our state and the well being of our residents by strengthening our ability to respond to disasters and continuing on the road to recovery through loans and grants for affordable housing, water and waste systems, businesses and industry, essential community facilities and emergency responder initiatives. USDA Rural Development is committed to the future of rural communities and to helping communities, residents and businesses rebuild in the wake of the hurricane disasters.







## Rural Development Offices

#### STATE

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#### Area 4

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#### Area 5

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#### **Bartow**

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#### Chipley

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#### **DeFuniak Springs**

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#### Live Oak

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## USDA Rural Development





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